

Technical Changes to 2002 Supplemental Operating Budget

Expenditure Data Errors

Office of Financial Management/Department of General Administration

Transfer Office of Risk Management from General Administration to the Office of Financial Management - Compensation allocations and proviso dollars belonging to the Office of Risk Management were erroneously deducted from General Administration's Risk Management Administration Account.

	GF-S		Other Funds
Office of Financial Management	0	(8,000)	Risk Management Acct. (546-1)
Dept. of General Administration	0	8,000	Risk Mgmt. Admin. Acct. (422-1)

Washington State Lottery

Multi-State Lottery

1. Proposed legislation setting up the Big Game assumes a new Shared Game Lottery Account, so related expenditures are moved to that account.	0	(49,493,000)	State Lottery Acct. (577-6)
	0	49,493,000	Shared Game Lottery Acct. (433-6)
2. Administrative expenditures for the Big Game are corrected to a total of \$64.6M, and expenditures for other games are reduced to reflect associated revenues.	0	(15,111,000)	State Lottery Acct. (577-6)
	0	15,111,000	Shared Game Lottery Acct. (433-6)

Community, Trade and Economic Development

Funding for the Office of Community Development, Office of Trade and Economic Development and Administration Programs is incorrectly allocated among funds in the appropriation sections. Net fund shifts for each section are:

Section 113	365,000	531,000	Fund detail spreadsheet has been
Section 114;	420,000	27,000	provided to staff.
and Section 115	(785,000)	(558,000)	

Secretary of State

The agency's operating budget can be decreased by \$59,000 because of an expected delay in opening the new <u>Eastern Washington Regional Archives Building</u> .	0	(12,000)	Archives/Record Mgmt. Acct. (006-1)
		(47,000)	Archives/Record Mgmt. Acct. - Local (006-7)

Office of Administrative Hearings

OAH is experiencing a significant increase in <u>Unemployment Insurance Appeals</u> . The increased appeals are expected to continue through the end of this biennium due to the increase in unemployment. The Employment Security Department will pay for the increase with Federal Block Grant money that is already included in their budget.	0	786,000	Administrative Hearings Revolving Acct. (484-1)
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Department of Health

AIDS Prescription Drug Program Fund Shift - This adjustment will eliminate the double-counting of the Northwest Family Center reduction in FY 2003, and correct fund sources by moving associated indirect costs from the Health Services Account to the General Fund. (Section 218, Page 76, line 11 - FY 2002, Line 13 - FY 2003 and line 15).

106,372	(106,372)	Health Services Account (760-1)
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Childhood Vaccines Fund Shift - The numbers in the Governor's 2002 Supplemental Budget request moved only direct client services expenditures for this program and not the associated indirect costs. This adjustment will move the associated indirect from General Fund - State to the Health Services Account. (Section 218, Page 76, line 11 - FY 2002, line 13 - FY 2003 and line 15).

(157,382)	157,382	Health Services Account (760-1)
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The COBRA transfer between DOH and DSHS was made at the amount before the caseload/forecast update. This correction incorporates caseload data from the current forecast. This change, and the DSHS budget item (below) net to zero. (Section 218, Page 76, line 13).

856,000	0	
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	GF-S	Other Funds	
Appropriation authority for General fund - Federal should be increased to include a new and unanticipated grant from the U.S. Environmental Protection Agency for implementation and compliance related to the <u>Federal Safe Drinking Water Act</u> .	0	2,739,500	General Fund - Federal (001-2)
Health Care Authority <u>Basic Health Enrollment Expansion</u> - A small adjustment is necessary to the cost of the enrollment increase related to new Initiative 773 revenue. This increase only affects the non-appropriated Trust Account.	0	9,000	Basic Health Plan Trust Acct. (172-6)
Department of Social and Health Services Children's Administration <u>Eliminate Family Policy Council</u> - The reduction in GF-S is overstated as a result of inclusion of the salary allocation. This adjustment brings the reduction in line with budget provisos.	11,000	0	
Mental Health <u>Federal Medical Assistance Percentage (FMAP)</u> - Corrections are based on adjustments to values used as the FMAP base, the formula used to calculate GF-S need relative to changes in FMAP, and expected timing of federal reimbursement.	(42,000)	42,000	General Fund - Fed. Medicaid (001-C)
Developmental Disabilities <u>Voluntary Placement</u> - When DSHS receives reimbursement for a client, if the client is in a program funded with Medicaid and State funds, federal expenditures are reduced when reimbursement is received.	360,000	(360,000)	General Fund - Fed. Medicaid (001-C)
<u>Vendor Rate Change</u> - The amount for the two-month delay in the vendor rate increase is changed to exempt the \$.50 wage increase for low-wage workers.	42,000	41,000	General Fund - Fed. Medicaid (001-C)
Aging and Adult Services <u>Mandatory Caseload</u> - The database reflects an erroneous number for the state share of the caseload change for Aging and Adult Services.	206,000	0	
<u>Nursing Home Rate</u> - This revision corrects a rounding error, applies the state share percentage as calculated in the November forecast, and includes the correct reduction for elimination of the Variable Return component (a \$2.97 rather than \$2.80 reduction in the daily rate).	(286,000)	(288,000)	General Fund - Fed. Medicaid (001-C)
<u>Vendor Rate Change</u> - The amount for the two-month delay in the vendor rate increase is changed to exempt the \$.50 wage increase for low-wage workers.	879,000	890,000	General Fund - Fed. Medicaid (001-C)
Medical Assistance Administration <u>FMAP</u> - Removes maintenance level funding step for the change in FMAP to avoid duplication of the FMAP portion of the November caseload forecast.	(8,863,000)	8,863,000	General Fund - Fed. Medicaid (001-C)
<u>Vendor Rate Change</u> - The amount for the two-month delay in the vendor rate increase is changed to exempt the \$.50 wage increase for low-wage workers.	(205,000)	(158,000)	General Fund - Fed. Medicaid (001-C)
<u>Increase Discount on Average Wholesale Price</u> - Revised values are based on the November 2001 MAA forecast. The final forecast was unavailable when the initial estimate proposal was completed.	66,000	67,000	General Fund - Fed. Medicaid (001-C)
<u>Outpatient Prospective Payment System Rate Reduction</u> - New values are based on further analysis by MAA's Hospital rates section.	(322,000)	(325,000)	General Fund - Fed. Medicaid (001-C)
<u>Eliminate Interpreter Services</u> - Revised values are based on the November 2001 MAA forecast. The final forecast was unavailable when initial estimate proposal was completed.	(1,575,000)	(1,598,000)	General Fund - Fed. Medicaid (001-C)
Correction of <u>COBRA transfer</u> between DOH and DSHS was made at the amount before the caseload/forecast update. This correction incorporates caseload data from the current forecast. This change, and the DSHS budget item (above) net to zero.	(856,000)	0	

	GF-S	Other Funds	
Drug and Alcohol			
<u>Involuntary Treatment Beds</u> - Because of permitting and other issues, the opening of an involuntary treatment center in Eastern Washington is further delayed, from February to May of 2002.	(400,000)	0	
Vocational Rehabilitation			
Transfer <u>federal funding</u> to the Department of Services for the Blind.	(407,000)	(1,503,000)	General Fund - Federal (001-2)
Department of Veterans Affairs			
Extension of the Homeless Veterans Reintegration grant.	0	155,000	General Fund - Federal (001-2)
Department of Services for the Blind (DSB)			
Transfer <u>federal funding</u> from DSHS Division of Vocational Rehabilitation. DSB has their own matching funds so the GF-S delete in DVR is a savings.	0	1,503,000	General Fund - Federal (001-2)
Higher Education/State Employee Compensation			
A correction to the <u>FICA savings step</u> is necessary because the basis for the savings did not include the Legislature's assumption that some FICA savings would remain with agencies to pay for a feasibility study for a new personnel payroll system.			
State Board for Community and Technical Colleges	47,000	0	
University of Washington	29,000	1,000	Accident Account (608)
		1,000	Medical Aid Account (609)
Washington State University	16,000	0	
Eastern Washington University	4,000	0	
Central Washington University	3,000	0	
Evergreen State College	2,000	0	
Western Washington University	6,000	0	
State Employee Compensation	155,000	(1,000)	General Fund - Federal (001-2)
		8,000	General Fund Private/Local (001-7)
		84,000	Salary/Insurance Revolving Acct. (406)
Labor and Industries			
<u>Crime Victims' Compensation Request Legislation</u> - The budget failed to include agency legislation to create a new Crime Victims Compensation Trust Account to use for federal and private/local funds (proposed SB 6492).	0	5,718,000	Crime Victims' Compensation Trust Account (New-6)
	0	(3,618,000)	PSEA - Federal (02V-2)
	0	(2,100,000)	PSEA - Private/Local (02V-7)
Executive request legislation relating to transportation (proposed HB 2304) includes a \$950,000 appropriation for the Department to increase activities in the <u>prevailing wage process</u> . The identified expenditure estimate of \$416,000 is for Fiscal Year 2003 per the fiscal note.	0	416,000	Public Works Administration Account (234-1)
Parks and Recreation			
A good snow season has increased estimated revenue to the <u>Winter Recreation Account</u> . Additional expenditure authority will allow more non-motorized Sno-Park grooming, and clearing of snow from parking lots.	0	300,000	Winter Recreation Account (007-1)
Department of Fish and Wildlife			
Increased costs related to <u>fire suppression</u> on department lands.	50,000	0	
Department of Agriculture			
Federal Unanticipated Receipt - \$360,000 for current program to collect data on pathogen and indicator organisms in food.	0	360,000	General Fund - Federal (001-2)

February 6, 2002 Memo to Fiscal Chairs

Attorney General/DSHS Mental Health

Funds are added back to the Operating Budget to support county petitions for Special Commitment Center filings. This funding eliminates the shift of Sexually Violent Predator costs to counties and includes caseload growth adjustment for Fiscal Year 2003. The additional \$263,000 in funding covers the cost of increased workload at the Attorney General's Office.

4,563,000

0

0 (2,213,000) General Fund Private/Local (001-7)
0 2,013,000 Legal Services Revolving Acct. (405-1)

Change to Operating Budget Expenditures (5,712,010) 11,824,510

GF-S

Other Funds

Revenue Data Errors

Labor and Industries

Executive request legislation relating to transportation (proposed HB 2304) includes deletion of a 30 percent revenue transfer to General Fund - State. This is for Fiscal Year 2003 only per the fiscal note.

(462,000)

462,000 Public Works Administration Account
(234-1)

Change to Revenue Data System (462,000) 462,000

Budget Bill Proviso Errors

Community, Trade and Economic Development

Correct General Fund - State Appropriation for fiscal years 2002 and 2003. In Section 113, page 19, line 34, strike "51,715,000" and replace with "50,630,000" and line 35, strike "42,292,000" and replace with "43,377,000".

Byrne grant language should specify federally mandated set-aside for the Criminal History Records Improvements Program. Section 113(2), page 20, lines 24-27, strike and replace with "\$20,419,814 of the General Fund - Federal appropriation is provided solely for the drug control and system improvement formula grant program. Of that amount, an amount computed in accordance with federal regulations is to be allocated to the Criminal History Records Improvement Program. The remaining funds are to be distributed in accordance with the recommendations of the Byrne Grant Advisory Committee."

Shift General Fund - State Appropriation for fiscal years 2002 and 2003. In Section 114, page 22, line 18, strike "14,378,000" and replace with "14,148,000" and line 19, strike "12,359,000" and replace with "12,589,000".

Correct General Fund - State Appropriation for fiscal years 2002 and 2003. In Section 114, page 23, line 1, strike "470,000" and replace with "370,000" and line 2, strike "470,000" and replace with "150,000".

Higher Education

Correct language for second year COLA. In Section 601 (1) (c), page 154, lines 33-35, strike "for these employee groups on July 1, 2002, in a percentage amount to be determined by the 2002 legislature" and replace with "of 2.6 percent on September 1, 2002".

Correct enrollment number. In Section 602, page 158, line 28, strike "128,102" and replace with "128,402".

Higher Education Coordinating Board - Financial Aid and Grant Programs - Correct General Fund - State Appropriation for fiscal year 2003. In Section 611 (7), page 170, line 21, strike "133,965,000" and replace with "137,137,000".

Recommendation Summary Document Errors

Department of Fish and Wildlife

Resource Program Reductions - The first sentence in the recommendation summary item - "The Regional Lands Manager for Region 2 will be eliminated through the consolidation of regional management within Regions 2 and 3" - should be moved to the recommendation summary for Administrative Program Savings. The dollar amounts are correct.

Recommended Changes to 2002 Supplemental Capital Budget for Error Correction

Appropriations Bill Errors

Community, Trade and Economic Development

Public Facility Construction Loan Revolving Account - State Appropriation. To bring the bill into agreement with the capital expenditure database, in Section 102, page 3, lines 5 and 8, strike "\$3,294,000" and replace with "\$3,656,000".

Department of General Administration

Section 173, chapter 8, Laws of 2001 (enacted capital budget) should be added to the 2002 Supplemental Capital Bill and amended as follows: Office Building Two Rehabilitation (98-1-007), Thurston County Capital Facilities Account - State Appropriation. To bring the bill into agreement with the capital expenditure database, in Section 173, page 37, line 3, strike "\$5,850,000" and replace with "\$4,750,000" and line 6, strike "\$22,410,000" and replace with

Department of Natural Resources

Section 421, chapter 8, Laws of 2001 (enacted capital budget) should be added to the 2002 Supplemental Capital Bill -1262.2/02 and amended as follows: Commencement Bay Freshwater Channel (02-2-020), Aquatic Lands Enhancement Account - State Appropriation. To bring the bill into agreement with the capital expenditure database, in Section 421, page 126, lines 19-27, delete the entire appropriation by striking lines 19 through 27.

Department of Corrections

Correct General Fund - Federal Appropriation and State Building Construction Account - State Appropriation. In Section 107, page 5, line 19, strike "11,933,692" and replace with "11,823,692" and line 22, strike "8,750,308" and replace with "8,860,308".

Recommended Changes to 2002 Supplemental Transportation Budget for Error Correction

Expenditure Data Errors

Department of Transportation

Improvements-Program I - Correct Motor Vehicle Account-State Appropriation. To bring the bill and expenditure database into agreement with the Ten-Year financial plan, in Section 212, page 8, line 32, strike "433,785,000" and replace with "424,900,000". Also, correct the Total Appropriation line. In Section 212, page 9, line 6, strike "759,045,000" and replace with "750,160,000".

	GF-S	Other Funds
	0	(8,885,000) Motor Vehicle Account (108-1)
Dollar Changes Transportation Budget	0	(8,885,000)

Transportation Bill Proviso Errors

Department of Transportation

Marine-Program X - Correct compensation paid to ferry employees. In Section 220 (2), page 16, line 9, strike "206,696,000" and replace with "207,065,000".

State Treasurer - State Revenue for Distribution and State Treasurer - Transfers - Sections 403 and 404 Section 403: add "Motor Vehicle Account Appropriation for local option vehicle license fee...\$62,951,000". Section 404: delete subsection (5) "Motor Vehicle Account - State Appropriation for license, permit and fee transfer to other accounts...\$346,821,000". Rationale: \$346,821,000 is the November forecast total of licenses, permits, and fees (LPF) distributed to accounts other than the Motor Vehicle Fund plus the local option vehicle license fee. This amount was rolled together for the first time this biennium in the originally enacted budget bill and placed in section 403 (revenues for distribution). In the Governor's budget bill version, it was moved to the transfer section from the revenue distribution section since the local option tax is a transfer and it was assumed the other portions were, too. However, the local option piece is indeed a state revenue for distribution. The remainder of the \$346,821,000 (LPF) is comprised of over 20 separate items, collected by DOL and DOT, and immediately deposited in the destination accounts. Each is covered by statute for distribution authority and it would be duplicative (and possibly confusing) to re-state in the bill.